

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  REMAINDER ASSESSMENT	DOCKET NO. IOWA CODE § 476.10
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**ORDER TOLLING OBJECTION PERIOD AND SEEKING COMMENT**

(Issued October 9, 2002)

On September 13, 2002, the Utilities Board (Board) issued the estimated remainder assessment billings for the first quarter of FY 2003, pursuant to Iowa Code § 476.10 (2001 Supp.). The Board received an informal protest from MidAmerican Energy Company concerning the inclusion of revenues from wholesale sales of electricity and gas in the calculation of "gross operating revenues of such persons from intrastate operations during the last calendar year over which the board has jurisdiction." Iowa Code § 476.10. Gross operating revenues provide the basis for the Board's remainder assessment. Historically, electricity and gas wholesale sales have been included in gross operating revenues when calculating the remainder assessment. However, in 2001 Iowa Acts, Ch. 9, the formulation of gross operating revenues was changed to the language quoted above. Prior to that change, assessments were made in proportion to public utilities' "gross operating revenues during the last calendar year derived from intrastate public utility operations . . ." Most notably, the earlier language did not include the phrase "over which the board

has jurisdiction." This change may require wholesale sales of natural gas and electricity to no longer be included in the calculation of the remainder assessment.

Because excluding electric and gas wholesale sales will change the portion of the total assessment to each utility, the Board seeks comment on whether the amendment to Iowa Code section 476.10 in 2001 Acts requires this change in the calculation. This order, in which the Board has chosen to reopen the calculation of the estimated first quarter billing to address the legal question described above on its own motion, tolls the 30-day objection period found in the third unnumbered paragraph of section 476.10. Utilities must pay the estimated assessment in the September 13, 2002, billing, but the Board, if it determines electricity and gas wholesale sales should not be included, will adjust each utility's second quarter estimated bill to reflect the proper estimate for both the first and second quarters.

If the Board determines that electricity and gas wholesale sales should be excluded, that change will also be reflected in the Board's true-up process currently under way to conform the estimated quarterly payments for FY 2002 to the requirements of section 476.10.

**IT IS THEREFORE ORDERED:**

Any person wishing to comment on whether Iowa Code § 476.10 requires that wholesale sales of electricity and gas not be included in gross revenues for the

calculation of the remainder assessment shall file comments with the Executive Secretary on or before 14 days after the issuance of this order.

**UTILITIES BOARD**

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/s/ Mark O. Lambert

ATTEST:

/s/ Sharon Mayer  
Executive Secretary, Assistant to

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 9th day of October, 2002.